

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
Indiana Government Center North Room 1058(B)  
Indianapolis, Indiana 46204

IN THE MATTER OF TAX REQUEST OF	)	
WESTFIELD WASHINGTON SCHOOLS (HAMILTON	)	<b>Revised Order</b>
COUNTY) FOR APPROVAL OF A LEASE WITH	)	No. <u>07-026</u>
WESTFIELD WASHINGTON MULTI-SCHOOL	)	
BUILDING CORPORATION	)	

A petition was filed on behalf of Westfield Washington Schools for approval of a lease with the Westfield Washington Multi-School Building Corporation providing for the lease of a new Monon Trail Elementary School building ("Tract I") and an addition to Carey Ridge Elementary School building ("Tract II") for a term of twenty-four (24) years. The lease provides for rental for Tract I of said Leased Premises at the rate of \$1,800,000 per year beginning on December 31, 2009 through December 31, 2010, at a rate of \$1,850,000 per year beginning on June 30, 2011 through December 31, 2011, at a rate of \$1,950,000 per year beginning on June 30, 2012 through December 31, 2012 and \$2,200,000 per year beginning on June 30, 2013 through the balance of the term of the Lease. The first rental installment for Tract I shall be due on the day that the building to be constructed and equipped are completed and ready for occupancy or December 31, 2009, whichever is later. The lease provides for rental for Tract II of said Leased Premises at the rate of \$450,000 per year beginning on June 30, 2009 through December 31, 2009 and \$525,000 per year beginning on June 30, 2010 through the balance of the term of the Lease. The first rental installment for Tract II shall be due on the day that the building to be constructed and equipped is completed and ready for occupancy or June 30, 2009, whichever is later. The lease includes an option to purchase such buildings.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the Project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7-11. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7-8. After careful consideration of all facts, the Department of Local Government Finance takes the following action:

**FINDINGS:**

1. Westfield Washington Schools are located in Hamilton County, Indiana, and the school board is the duly organized entity responsible for the establishment and operation of Westfield Washington Schools, Hamilton County.

2. The Purpose of the lease rental agreement is to:

a. Construct a new Monon Trail Elementary School using the same basic plan and details that have been used in the Westfield Washington school district four times previously.

b. Construct an addition at Carey Ridge Elementary School for a new kindergarten wing

consisting of four classrooms, storage, restrooms, activity spaces, playground, computer area, and supporting circulation spaces to support full day kindergarten. The HVAC system in the building will be completely replaced.

c. Renovate the HVAC system at Shamrock Springs Elementary School.

3. The total project cost, as presented to the Department of Local Government Finance, is \$30,750,000.
4. School officials properly advertised and held a notice of preliminary determination hearing on February 27, 2007.
5. Taxpayers did not file an application for a petition and remonstrance process.
6. Capital projects funds are not available for this project.
7. The persistence to graduation rate for this school district is at eighty-four percent (84%) and the graduation rate is a ninety-two percent (92%).
8. The school's debt to assessed value ratio is nine and sixty-four hundredths percent (9.64%), not including this project.
9. Construction costs associated with the project exceed the construction cost thresholds established by the Department for 2007.
  - a. Construction of the new Monon Trail Elementary School: Construction cost per square foot is \$168.92 compared to the Department's threshold of \$149.60 per square foot; and
  - b. Addition to Carey Ridge Elementary School: Construction cost per square foot is \$197.59 compared to the Department's threshold of \$192.50 per square foot.
10. School officials stated the reason the projects exceeded the Department's thresholds was due to the inclusion of core costs and high site development costs.
11. The school property tax control board made a favorable recommendation with a vote of 9-0 approving the proposed lease rental agreement with a maximum annual payment of \$2,725,000 over 24 years.
12. The modified approval is based on a reduction of the total project cost allowed to be financed under this order. The total project cost shall not exceed \$28,465,000. The total project cost has been reduced to the maximum allowed under the Department's construction cost per square foot baseline.

Based on the above findings, it is therefore ordered that the Department gives MODIFIED APPROVAL for the execution of a lease rental agreement with the Westfield Washington Multi-School Building Corporation, providing for the lease of a new Monon Trail Elementary School

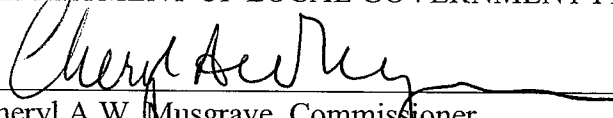
building ("Tract I") and an addition to Carey Ridge Elementary School building ("Tract II") for a term of twenty-four (24) years. The lease provides for rental for Tract I of said Leased Premises at the rate of \$1,800,000 per year beginning on December 31, 2009 through December 31, 2010; at a rate of \$1,850,000 per year beginning on June 30, 2011 through December 31, 2011; at a rate of \$1,950,000 per year beginning on June 30, 2012 through December 31, 2012; and \$2,200,000 per year beginning on June 30, 2013 through the balance of the term of the Lease. The first rental installment for Tract I shall be due on the day that the building to be constructed and equipped are completed and ready for occupancy or December 31, 2009, whichever is later. The lease provides for rental for Tract II of said Leased Premises at the rate of \$225,000 due on June 30, 2009; \$101,000 per year beginning on December 31, 2009 through December 31, 2011; and \$273,000 per year beginning on June 30, 2012 through the balance of the term of the Lease. The first rental installment for Tract II shall be due on the day that the building to be constructed and equipped is completed and ready for occupancy or June 30, 2009, whichever is later. This approval is limited to the projects described in file #07-026 as presented to the School Property Tax Control Board and the Commissioner for consideration.

If the construction bids received for the Project are lower than the estimated construction costs presented to the Department, the school corporation and building corporation shall amend the lease to lower the lease rental payments to amounts which will amortize the debt. The debt will be limited to the total of the construction bids, costs of issuance, soft construction costs, and construction contingencies. In total, the costs of issuance, soft construction costs, and construction contingencies shall not exceed the amounts presented to the Department of Local Government Finance for consideration.

To obtain a debt service rate for 2007 pay 2008, the unit must comply with the provisions of I.C. 6-1.1-17-3. In addition, on or before December 31, 2007, the unit must execute the above issue and file with the Department of Local Government Finance a final amortization schedule.

Dated this 11th day of September, 2007.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

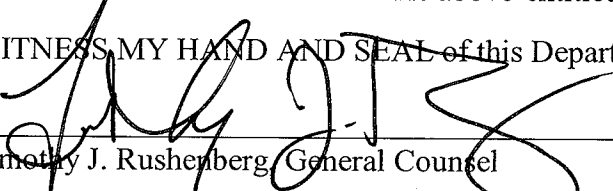
  
Cheryl A.W. Musgrave, Commissioner

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true, and complete copy of the Order of the Commissioner made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Department on this 11th day of September, 2007.

  
Timothy J. Rushenberg, General Counsel

Ind. Code 5-1-18, requires local units of government to provide debt information to the DLGF not later than December 31 of the year in which the bonds are issued or the lease is executed. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: [http://www.in.gov/dlgf/rates/debt\\_reporting.html](http://www.in.gov/dlgf/rates/debt_reporting.html). Please submit completed documents electronically to [data@dlgf.in.gov](mailto:data@dlgf.in.gov). Questions regarding these documents may be directed to Cheryl Prochaska at (317) 244-4480.